



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

May 8, 2006

Fiddlers Canyon Development LTD
Frank Nichols
2045 North Main Street
Cedar City, Utah 84770

Subject: Complete Notice of Intention to Commence Small Mining Operations and Approval of Form and Amount of Reclamation Surety, Fiddlers Canyon Development, Walker Flat Iron Placer, Task #888, S/021/038, Iron County, Utah

Dear Mr. Nichols:

The Division finds your notice of intention (Notice) complete and approves the reclamation surety for the Walker Flat Iron Placer mine. You are now permitted to conduct small mining operations as outlined in the Notice provided you have written approval from any other appropriate agency.

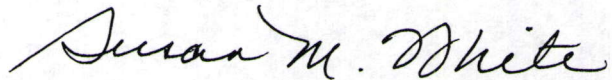
Please keep in mind the following regulatory requirements.

- The Division must be notified no later than 30 days after beginning mining operations.
- Mining disturbance of five acres is only allowed in the area identified in the Notice and Reclamation Contract.
- Stockpiling topsoil material prior to beginning activities will help ensure successful revegetation. Even the first few inches of undeveloped material are worth saving to aid in later revegetation efforts, and future regulatory surety release.
- If you encounter any archaeological or historical items, you are asked to notify this office and State History of your find.
- Permit fees are due July 30.
- Annual reports are due by December 31st.
- The reclamation surety will be reviewed every 3 years.
- The Division request that the disturbed area boundary (including assess/haul roads) be marked with metal T-posts to identify the area permitted for mining.

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The Division's web page at <http://ogm.utah.gov/> under the Mining Program has a link to the rules you are expected to operate under and other information to assist you in complying with program requirements. Thank you for your cooperation. In reply, please refer to file number S/021/038. If you have questions or concerns regarding this letter, please contact me at (801) 538-5258 or Doug Jensen at 538-5382. Best wishes with your mining venture.

Sincerely,

A handwritten signature in cursive script that reads "Susan M. White".

Susan M. White
Mine Program Coordinator
Minerals Regulatory Program

SMW:dj:pb
Attachment: SMO summary
Enclosure: Copy of RC & surety forms
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